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June 19, 2015

Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Agenda Item 15-5-8: 2015-16 Funding Plan for Low Carbon Transportation
Investments & the Air Quality Improvement Program

Dear Chairman Nichols:

On behalf of the Center for Transportation and the Environment (CTE), I am writing to express CTE's support for the proposed 2015-16 spending plan for Low Carbon Transportation Investments & the Air Quality Improvement Program.

CTE is eager to participate in the solicitation process for advancing the commercialization of zero emission transit buses and heavy duty trucks. In particular, the draft spending plan envisions the development of pilot programs whereby a large number of vehicles are deployed at strategic hubs in order to achieve economies of scale. CTE strongly supports this plan as a critical element to bring these technologies to commercial viability.

However, CTE urges the Board to take into consideration the longer timeline these large pilot projects will require and the financial security our private partners will demand. It is likely these pilot projects will exceed the three year life of the appropriation. CTE encourages the Board to authorize the use of a multi-year funding agreement. This will not only provide our private partners financial security, it will allow the Board to efficiently allocate funds to a wide portfolio of projects.

CTE is taking the lead on developing a demonstration program that will bridge the last gap in reaching commercialization of zero emission transit buses. CTE is also organizing an effort advancing the development of zero emission drayage trucks that will be demonstrated at the Ports of Los Angeles and Long Beach, with the potential of being expanded to other areas of the state. The development of these pilot programs requires a significant commitment and financial risk by original equipment manufacturers to build and test sufficient quantities of both buses and trucks. Successful execution of the demonstration programs requires multiple years to ramp-up production and sufficient time to test the vehicles.

The large demonstration programs envisioned by CARB will require a large financial commitment, but these funds can be allocated over time. The ability to program funds over multiple years would provide the vehicle manufactures the assurance they need to

participate, as well as provide the most efficient use of these resources. Multi-year funding will also send a strong signal to manufacturers that the state is fully committed to sustained funding to help the industry achieve sufficient production volumes toward the goal of commercialization.

California is a world leader in the development and demonstration of zero emission vehicle technology. Over the past several years zero emission bus demonstration programs throughout California have shown significant technology advances in performance, reliability and durability. The proposed spending plan takes another bold step toward making commercially available heavy-duty vehicles a reality.

Sincerely,



Dan Raudebaugh
Executive Director



Jaimie Levin
Director of West Coast Office